

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - August 4, 2006

United States Attorney Carol C. Lam announced that United States District Judge John A. Houston today accepted the tendered plea of guilty of Benjamin Munoz, III, who admitted electronically stealing trade secrets of construction contractor T.B. Penick and Sons, Inc., in violation of Title 18, United States Code, Section 1832. Mr. Munoz is a former employee of Penick and Sons.

Assistant U.S. Attorney Mitch Dembin, who is prosecuting the case, said that in connection with his guilty plea Mr. Munoz admitted that he had been employed as a Project Manager for Penick and Sons until August 25, 2005. By virtue of that employment, Mr. Munoz knew that Penick and Sons had drafted a bid proposal to provide concrete and related services for a proposed commercial development at Otay Ranch Town Center. After leaving Penick and Sons, Mr. Munoz was hired by a competing contractor. Mr. Munoz further admitted that on September 26, 2005, while employed by the competing contractor, he accessed the computer network of Penick and Sons from his home computer, using an account of a Penick and Sons

employee for which he knew the user name and password. Mr. Munoz admitted that he did not have permission to use that account. After accessing the Penick and Sons computer network without authority, Mr. Munoz printed the draft bid proposal on his home printer and used the information to prepare a competing bid on behalf of his new employer, without his new employer's knowledge. Mr. Munoz knew that the Penick and Sons draft bid was confidential and a trade secret of Penick and Sons. Both Penick and Sons and Munoz's subsequent employer, among others, submitted bids for the Otay Ranch project.

Mr. Munoz's subsequent employer, after being informed of the investigation, withdrew its competing bid and cooperated in the investigation. The bid ultimately was awarded to Penick and Sons. Mr. Munoz acknowledged that the potential loss to Penick and Sons exceeded \$400,000.

U.S. Attorney Lam said, "If you steal trade secrets, it doesn't matter if you commit the crime over the Internet in the comfort of your own home. The result will be the same -- you will be prosecuted."

This case was investigated by Special Agents assigned to the Cybercrime Squad of the San Diego Division of the Federal Bureau of Investigation. Mr. Munoz will be sentenced on September 29, 2006, by Judge Houston.

DEFENDANT

Case Number: 06cr0831-JAH

Benjamin Munoz, III

SUMMARY OF CHARGE

One Count - Title 18, United States Code, Section 1832 (Theft of Trade Secrets)

Maximum Penalty: 5 years' imprisonment and \$250,000 fine

AGENCY

Federal Bureau of Investigation